GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:342
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PRICES OF LIFE SAVING DRUGS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether despite all the measures taken by the Government, the prices of essential life saving drugs were not brought down to be within the reach of the commonman;

(b) if so, the basic drugs and formulations that are necessary to treat, prevent and control the spread of various diseases under the essential list of medicines; and

(c) the steps taken to keep the prices of the relevant basic drugs under check and within the reach of the common man?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN):

(a) to (c) One of the major objectives of the Drug Policies as announced from time to time is ensuring abundant availability, at reasonable prices of essential and life saving and prophylactic medicines of good quality.

The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. These drugs have been kept under price control on the basis of criteria mention in `Modifications in Drug Policy`, 1986`, announced in September, 1994. These criteria take into account turnover of a drug and monopoly situation to identify the extent of usage and inadequate competition for any drug to be kept under price control.The DPCO, 95 does not make any distinction between life saving drugs and other drugs. There is no specific norms or guidelines to determine as to which drugs can be classified as life saving drugs. Every drug,in general, is considered useful in saving and prolonging of life.Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc., the NPPA monitors the prices of medicines as per monthly Retail Audit Reports of ORG-IMS Research Pvt. Ltd. The Government takes corrective measures where the public interest is found to be adversely affected.The above policy has been instrumental in keeping a check on the prices of a large number of drugs. This is borne out of the monthly ORG-IMS data of March, 2006 as per which prices of 97.64% of packs have remained stable, prices of 0.60% packs have declined and prices of only 1.76% packs have risen.
The common reasons for rise in the prices of medicines are:
(a) Rise in the price of bulk drugs

(b) Rise in the cost of production/import

(c) Rise in the cost of transport, freight rates;

(d) Rise in the cost of utilities like fuel, power, diesel. etc

(e) For imported medicines, rise in the C.I.F. price and depreciation of the Rupee.

(f) Changes in taxes and duties.

National List of Essential Medicines 2003 prepared by the Ministry of Health and Family Welfare, defines essential medicines as those that satisfy the priority health care needs of the population. The essential medicines enlisted are intended to be available within the context of functioning health systems at all times in adequate amounts, in the appropriate dosage forms, with assured quality. The List contains 27 Therapeutic categories and 354 medicines. The List is also available at the website http://www.cdsco.nic.in. of Central Drugs Standard Control Organization, Ministry of Health and Family Welfare. In the draft National Pharmaceutical Policy 2006, several measures to keep a check on the prices of essential medicines and to bring the drugs within the reach of common man have been proposed.